



Board Report

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Agenda Number: 18.

PLANNING AND PROGRAMMING COMMITTEE OCTOBER 14, 2020

**SUBJECT: TRANSFER OF PROPERTY TO CITY OF LOS ANGELES FOR DESTINATION
CRENSHAW PROJECT**

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. DECLARING that 4444 Crenshaw Boulevard (the “Property,” as described in Exhibit A and depicted in Exhibit B) is not necessary for use by Metro and is “exempt surplus land” as defined in Section 54221(f)(1) of the California Surplus Land Act, as amended.
- B. AUTHORIZING the Chief Executive Officer (“CEO”) to execute any necessary documents to transfer the Property to the City of Los Angeles (“City”), in support of Destination Crenshaw (defined below) with land value waived, provided that City assume all Rights and Obligations (also defined below) associated with the Property.

ISSUE

The Destination Crenshaw project (“Destination Crenshaw”) is a proposed outdoor museum and placemaking initiative of public art and streetscape design, as depicted in Exhibit C attached hereto, that is comprised of multiple project elements (platforms and parks) along a 1.3-mile stretch of Crenshaw Boulevard, which overlaps an at-grade segment of the Crenshaw/LAX Light Rail Project (“C/LAX”). Destination Crenshaw is borne out of the efforts of the City and a group of community stakeholders.

The Metro Board of Directors (“Board”) took various actions on July 25, 2019 to support Destination Crenshaw (see “July 2019 Board Report” or “Report” attached as Exhibit D), including authorizing the CEO to enter into a Memorandum of Agreement (“MOA”) with the City to fund and support the project. As discussed in the July 2019 Board Report, the proposed Sankofa Park (the “Project” or “Sankofa Park Project”) is among the elements of the Destination Crenshaw. The Project is located at the intersection of Crenshaw and Leimert Boulevards and within walking distance of the Leimert Park Station of C/LAX; staff had recommended that Metro provide the land necessary for the Project to the City, with land value waived.

Metro acquired the Property for C/LAX, and as described in the July 2019 Board Report, has made use of the Property in connection with C/LAX. The Property is not needed for long term use by C/LAX and City desires to use the Property for Destination Crenshaw, specifically, the Sankofa Park Project. Under the Section 54221 of the Act, “land shall be declared either “surplus land” or “exempt surplus land,” as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency’s policies or procedures.” In addition, pursuant to Metro’s Disposition of Surplus Real Property Policy, CEO or Board approval is required for the transfer of the Property for less than fair market value, if it is determined to be in the best interests of Metro to make such a transfer.

DISCUSSION

Background

On or about October 2019, following the process set forth in California Government Code Section 54220 et seq. (the “Surplus Land Act” or the “Act”) then in effect regarding the disposition of surplus property, Metro issued six (6) written notices to public agencies, including the City, to assess interest in the Property once it became available for disposition as surplus land. The Property was then being used as part of the construction of C/LAX, but Metro had determined it would not be required for C/LAX operations in the long run. The City responded through this process with interest in the Property as an element of Destination Crenshaw. Since October 2019, the Act has been amended, pursuant to AB 1486.

Exempt Surplus Land - Findings

The Act, as amended and effective January 1, 2020, continues to provide for the disposition of “surplus land” or “exempt surplus land”, as defined in the Act. However, there are various modifications to procedures and definitions. “Surplus Land” means land owned in fee simple by any local agency for which the local agency’s governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency’s use. Pursuant to the Act, land may be declared either “surplus land” or “exempt surplus land”. As defined in Section 54221 (f)(1)(D) of the Act, exempt surplus land includes “surplus land that a local agency is transferring to another local, state or federal agencies for the agency’s use”.

As mentioned above, the Property, more particularly described and depicted in Exhibits A and B, respectively, and comprising a total of 10,755 square feet, is part of property that was originally acquired for C/LAX. The Property has not been scheduled for use in connection with C/LAX and is no longer necessary for the C/LAX. The City desires to use such property for the Project. Under these circumstances and pursuant to the Act, the Property is exempt surplus land.

Valuation

Metro appraised the Property as of July 15, 2019. It was valued at \$1,890,600. Staff recommends that Metro provide the land necessary for the Project to the City, with land value compensation waived. As discussed in the July 2019 Board Report, Metro recognizes that there are synergies between C/LAX and the Project. As part of the development of C/LAX, Metro’s goals were and

continue to be, to provide transportation and transit improvements and also, with community feedback, (1) preserve and enhance the unique cultural identity of each station area and its surrounding community by implementing art and landscaping; (2) promote a sense of place, safety, and walkability by providing street trees, walkways or sidewalks, lighting, awnings, public art and/or street furniture; (3) provide additional landscaping within the right-of-way or in project property to create a buffer between sensitive uses and the project; and (4) where practical and appropriate, add additional landscaping and enhanced design features to minimize the visual image of transit facilities (see, C/LAX Final Environmental Impact Report). Metro seeks to promote community preservation in the communities directly affected by C/LAX and facilitate the creation of transit-oriented communities (“TOCs”) that expand mobility options, promote sustainable urban design and help transform communities.

The Project is conceived as an amphitheater for performances, festivals, and community gatherings and will include a park and streetscape design elements including trees, raised viewing platform with south-facing views down Crenshaw Boulevard overlooking a plaza and the C/LAX railroad guideway, crosswalks and other features that will improve the quality of the street and provide a strong connectivity between the community and the Leimert Park Station, as depicted in the renderings attached hereto as Exhibit E. The Project will bridge C/LAX with Destination Crenshaw and the art and cultural community of Leimert Park. The Project is representative of Metro’s vision for TOCs, and as such, the transfer of the Property to the City for the Project, with land value waived, is determined to be in the best interests of Metro.

Property Rights and Obligations

Metro has informed the City and the City is aware that in connection with Metro’s original acquisition of the Property, the Property is subject to an Interlocutory Judgment in Condemnation as to Defendant CBS Outdoor LLC filed with the Superior Court of California, County of Los Angeles, on February 11, 2015 in Case No. BC510595 (“Interlocutory Judgment”), which provides that Metro’s interest in the Property is subject to an existing Lease No. 25671 dated October 1, 1975 and Addendum thereto dated April 7, 2012 (collectively, the “Billboard Lease”). As a condition of the transfer of the Property to the City, the City must assume from Metro all rights and obligations concerning the Billboard Lease, as set forth in such lease and certain rights and obligations set forth in relevant part (including paragraphs 5, 6, 7 and 9) in the Interlocutory Judgment. In furtherance thereto, concurrent with the execution and delivery of the instrument transferring the Property to the City, the City must execute an assignment and assumption of the Billboard Lease and the relevant portions of the Interlocutory Judgment (collectively, the “Rights and Obligations”).

EQUITY PLATFORM

Consistency with Metro’s Equity Platform Framework

The foundational pillar of Metro’s Equity Platform is “Listen and Learn” and is an acknowledgment of the importance of establishing authentic dialogue and allowing a community’s perspective and experience to be heard. At its core, Destination Crenshaw will document, celebrate and bring to life the history and culture of the corridor and of South Los Angeles specifically. In addition, Destination Crenshaw will enhance pedestrian connectivity, and foster job growth on Metro-owned properties

serving low-income households.

Community outreach efforts will continue to include innovative and comprehensive approaches that engage historically underserved communities with the intention of producing outcomes that promote and sustain access to opportunities and avoid increasing disparity.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on Metro's safety standards.

FINANCIAL IMPACT

The Property will be the location of the Sankofa Park Project, one of the elements of Destination Crenshaw. In the July 25, 2019 Board report ([Exhibit D](#)), the Board approved funds towards this project, which included the value of this Property.

Impact to Budget

The source of funds for this action is Proposition C 25%. Metro will execute the MOA with the City of Los Angeles for an approved use of the funds consistent with the July 2019 Board Report and transfer of the Property. These funds are not eligible for Metro bus and rail operating uses. Funds were encumbered in FY20 as part of the July 25, 2019 Board action; there is no impact to the FY21 budget.

Next Steps

NEXT STEPS

The MOA (which includes terms and conditions for transfer of the Property to the City) will be finalized following completion of negotiations with the City of Los Angeles and the Property transfer completed.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project proposes transit improvements that support the following goals outlined in Metro's Vision 2028 Strategic Plan:

- Deliver outstanding trip experiences for all users of the transportation system.
- Enhance communities and lives through mobility and access to opportunity.
- Transform LA County through regional collaboration and national leadership.

ATTACHMENTS

Exhibit A - Legal Description of the Property

Exhibit B - Depiction of the Property

Exhibit C - Destination Crenshaw Project Site Overview

Exhibit D - July 25, 2019 Board Report

Exhibit E - Sankofa Park Renderings (attached for illustrative purposes)

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